

ASSOCIATION OF GOVERNMENTS

FISCAL YEAR END

CERTIFICATION OF BUDGET

ADOPTION OF BUDGET INFORMATION:

In compliance with *Utah Code* Sections 17B-1-605 through 610, associations of governments are required to prepare budgetary information in accordance with adopted procedures.

I, the undersigned, certify that the attached budget document is a true and correct copy of the budget of UTOPIA for the fiscal year ending 6/30, 2010 as approved and adopted by resolution dated 6/29, 2009.

Signed: Phil Lee

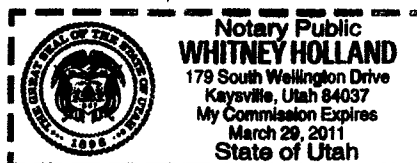
Budget Officer or Agency Director

Subscribed and sworn to this day of

June 29, 2009.

(notary public)

Whitney Holland



THE UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY

RESOLUTION NO. 09-04

**A RESOLUTION APPROVING AN ANNUAL BUDGET FOR
THE FISCAL YEAR COMMENCING JULY 1, 2009, AND
ENDING JUNE 30, 2010.**

WHEREAS, UTOPIA was created on April 20, 2002, pursuant to an Interlocal Cooperative Agreement; and

WHEREAS, Sections 12.3 and 16.2 of the Agreement provide that the Board of Directors shall approve an annual budget; and

WHEREAS, the bylaws require that the Treasurer act as Budget Officer for UTOPIA, that the budget be adopted by resolution in an open meeting, that the budget be made available for public inspection during regular business hours, and that the budget be certified by the Budget Officer and filed with the State Auditor within 30 days of adoption.

NOW, THEREFORE, BE IT RESOLVED by the UTOPIA Board of Directors that the budget for Fiscal Year 2009-2010, attached as Exhibit A, is hereby approved and the Treasurer is hereby directed to certify a copy of the budget, to file a copy of the budget in the office of the Treasurer to be available to the public during regular business hours, and to file the budget with the State Auditor within 30 days of adoption.

PASSED, APPROVED, and MADE EFFECTIVE this 29 day of June, 2009.

BOARD OF DIRECTORS


CHAIR

ATTEST:


SECRETARY

Exhibit A
Utah Telecommunication Open Infrastructure Agency
Proposed Budget for the year ended JUNE 30, 2010

| | <u>ACTUAL</u> <u>FYE 2006</u> | <u>ACTUAL</u> <u>FYE 2007</u> | <u>ACTUAL</u> <u>FYE 2008</u> | <u>APPROVED</u> <u>FYE 2009</u> | <u>PROPOSED</u> <u>FYE 2010</u> |
|-------------------------------|----------------------------------|----------------------------------|----------------------------------|------------------------------------|------------------------------------|
| OPERATING BUDGET | | | | | |
| Subscribers | 4,844 | 6,161 | 7,209 | 10,000 | 22,900 |
| Revenue | 1,807,323 | 2,318,607 | 3,201,987 | 4,740,000 | 5,218,000 |
| Operating Expenses | | | | | |
| Wages / Benefits | 648,547 | 793,624 | 650,010 | 1,895,000 | 2,310,000 |
| Other operating Expenses | 202,339 | 401,061 | 375,180 | 1,495,000 | 1,450,000 |
| Total Operating Expenses | <u>850,886</u> | <u>1,194,686</u> | <u>1,025,190</u> | <u>3,390,000</u> | <u>3,760,000</u> |
| Total Professional Services | 679,845 | 306,903 | 485,017 | 440,000 | 1,305,000 |
| Total Network Management | 4,634,152 | 4,416,314 | 3,163,284 | 1,260,000 | 1,880,000 |
| Other Income / Expense | | | | | |
| Other Expense | 248,450 | 88 | 3,163,020 | - | |
| Other Income | (219,786) | (246,807) | (980,854) | | |
| Depreciation | 2,643,074 | 7,239,394 | 5,402,635 | 6,000,000 | 7,200,000 |
| Interest Income | (922,583) | (761,557) | (405,788) | (560,000) | (45,000) |
| Interest Expense | 4,248,038 | 7,654,924 | 28,626,401 | 13,000,000 | 15,756,000 |
| Total Other Income / Expense | <u>5,997,192</u> | <u>13,886,042</u> | <u>35,805,414</u> | <u>18,440,000</u> | <u>22,911,000</u> |
| Total Expenses | 12,162,075 | 19,803,945 | 40,478,905 | 23,530,000 | 29,856,000 |
| Net Income | <u>(10,354,752)</u> | <u>(17,485,338)</u> | <u>(37,276,918)</u> | <u>(18,790,000)</u> | <u>(24,638,000)</u> |
| CAPITAL BUDGET | | | | | |
| Engineering | | | | | |
| Outside Plant | | 6,573,920 | 12,182,651 | 3,000,000 | 700,000 |
| Intercity Connections | | | | | |
| Inside Plant | | 403,254 | 288,175 | 500,000 | 200,000 |
| Customer Premise Equipment | | 2,576,364 | 2,298,806 | | |
| Subscriber Connections | | | | 500,000 | |
| Office Equipment | | | 34,748 | 75,000 | 20,000 |
| Vehicles, Tools and Equipment | | 717,920 | - | | |
| Construction in Progress | | 8,272,782 | 5,571,764 | | |
| Capitalized Interest | | 297,921 | 345,778 | | |
| Total Capital Expenditures | <u>-</u> | <u>18,842,161</u> | <u>20,721,922</u> | <u>4,075,000</u> | <u>920,000</u> |

Detail Budget

Fiscal 2010

| | |
|-------------------------------------|---------------------|
| Total Revenue | 5,218,400 |
| Administrative Expense | |
| Wages / Benefits | 2,309,445 |
| Advertising | 690,000 |
| Dues / Memberships | 3,000 |
| Supplies | 16,980 |
| Training / Seminars | - |
| Travel | 78,600 |
| Meeting Expense | 3,300 |
| Bank Service Charges | 15,000 |
| Telecom Expense | 74,348 |
| Computer Expense | 81,255 |
| Insurance | 199,704 |
| Equipment | 6,840 |
| Vehicle Expense | 79,200 |
| Occupancy | 159,442 |
| Utilities | 41,000 |
| Admin Expenses | 3,758,114 |
| Professional Services | |
| Accounting | 24,000 |
| Payroll / HR | 18,000 |
| Public Relations | 30,000 |
| Legal | 162,000 |
| Lobbyists | 180,000 |
| Consulting | 240,000 |
| Contract Labor | 652,200 |
| Professional Services | 1,306,200 |
| Total Agency Expense | 5,064,314 |
| Network Management | |
| Head End | 118,000 |
| Field Maintenance | 915,000 |
| Electronic Maintenance | 153,500 |
| Colocation Fees | 232,704 |
| Interconnect Fees | 354,000 |
| Easements | 108,000 |
| Network Management | 1,881,204 |
| Total Operating Expenses | 6,945,518 |
| Operating Profit (Loss) | (1,727,118) |
| Other Income / Expense | |
| Depreciation | 7,200,000 |
| Interest Income | (45,341) |
| Interest Expense | 15,680,000 |
| Amort Bond Issue Costs | 76,200 |
| Total Other Income / Expense | 22,910,859 |
| Net Income | (24,637,977) |